

HCS SCS SB 295 -- DELINQUENT TAXES

SPONSOR: Shields (Schlottach)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Local Government by a vote of 16 to 0.

This substitute modifies the provisions of the delinquent tax collection laws. The substitute:

(1) Extends the collection laws to include mineral rights and royalty interests within the scope of items subject to sale to discharge a tax lien and removes the provisions that allow the partial sale of land to satisfy taxes;

(2) Reduces from seven to three years the time that the State Treasurer must hold the proceeds from the sale on behalf of absent owners. If there is no trustee in a county or if there is a trustee that has not taken the property after a third offering of sale where no sale occurred, the collector may then sell the property at any time and for any amount;

(3) Removes the requirement that the collector notify the person entitled to any excess funds from the sale and reduces the redemption time for receiving land purchased at a sale from two years to one year;

(4) Allows the collector to charge a title search fee and the recording fee. If a collector charges for the recording fee, he or she is responsible for recording the deed. Nonresidents or delinquent taxpayers are restricted from being assigned certificates of purchase; and

(5) Modifies the provisions concerning the rights of subsequent purchasers where a primary purchaser has caused taxes on the property to become delinquent. In this case, the first purchaser will forfeit all liens on the property.

FISCAL NOTE: No impact on state funds.

PROPOSERS: Supporters say that the substitute comes from a committee of county collectors who have met for three years. The substitute will delete sections of law that are not used. The substitute allows collectors to dispose of property that can't be sold at a tax sale because no buyer can be found.

Testifying for the bill was Senator Shields.

OPPOSERS: There was no opposition voiced to the committee.

Steve Bauer, Legislative Analyst